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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 3, 2001

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUE910043

To Amend its Certificates of
Public Convenience and Necessity
Authorizing Operation of Transmission
Lines and Facilities in the Counties
of Appomattox, Buckingham, Campbell,
Caroline, Cumberland, Fluvanna,
Goochland, Louisa, and Spotsylvania:
Joshua Falls-Elmont and Dooms-Ladysmith
500 kV Transmission Lines

ORDER DIRECTING UPDATING OF APPLICATION

Before the Commission is the application of Virginia

Electric and Power Company d/b/a Dominion Virginia Power

("Dominion Virginia Power" or "Company") for certificates of

public convenience and necessity authorizing the construction

and operation of 500 kV transmission lines. By Order for Notice

and Hearing of October 4, 1991, the Commission directed the

Company to give notice of the application and established

procedures for public hearings. Hearings were held in April and

July, 1992, and September 13, 1993. On January 24, 1994, the

Report of Howard P. Anderson, Jr., Hearing Examiner ("The

Report") was filed. Based upon the record developed at the

hearings, Examiner Anderson recommended that the Commission grant the application.

For the reasons discussed below, the Commission has not taken final action on the application. The Commission finds that Dominion Virginia Power should file revised information on the need for the proposed facilities and the proposed routes. The Commission will consider this information and comments from the parties and interested persons before taking further action.

Dominion Virginia Power proposes to construct a new 500 kV transmission line originating at Appalachian Power Company d/b/a American Electric Power Company's ("Appalachian") Joshua Falls Station in Campbell County, east of Lynchburg. The proposed line would extend for approximately 59 miles through Campbell, Appomattox, Buckingham, Cumberland, and Goochland Counties to intersect the Company's existing Dooms-Elmont 500 kV Transmission Line. From this intersection point, the proposed transmission line would continue for approximately 28 miles through Goochland and Louisa Counties to the Company's existing North Anna-Ladysmith 500 kV Transmission Line at a point near the North Anna Power Station in Louisa County. As an alternative routing north of the James River, the line would cross Fluvanna, Goochland, and Louisa Counties to reach the same point on the North Anna-Ladysmith line. The proposed transmission line would share right-of-way with the North AnnaLadysmith line for approximately 13 miles through Spotsylvania and Caroline Counties to the Ladysmith Switching Station in Caroline County.

Dominion Virginia Power proposes to sever its existing

Dooms-Elmont 500 kV Transmission Line at the point of

intersection with the proposed line and to reconnect the line

with the proposed 500 kV facilities. Upon completion of this

project, Appalachian's Joshua Falls Station would connect

electrically with Dominion Virginia Power's Elmont Substation by

a 500 kV line. Dominion Virginia Power's Dooms Substation would

connect electrically with its Ladysmith Switching Station by a

separate 500 kV line.

The proposed transmission line would require approximately 87 miles of new right-of-way. No additional right-of-way would be required for portions of the line through Spotsylvania and Caroline Counties. All new right-of-way will be cleared to a width of 150 feet.

Examiner Anderson found in The Report, at 8-9, that

Dominion Virginia Power would construct its proposed 500 kV

transmission lines only if Appalachian constructed a 765 kV

transmission line also proposed in 1991. That line would

originate at Appalachian's Wyoming Station, Wyoming County, West

Virginia, and terminate in Appalachian's Virginia service

territory. Appalachian's original application was docketed on

October 4, 1991, as Case No. PUE910050. Appalachian subsequently withdrew its original application and filed a new application for a 765 kV line between Wyoming, West Virginia, and Virginia. This second application was docketed as Case No. PUE970076.

After Appalachian's Case No. PUE970076 was commenced, the Commission entered its Order Directing Report and Authorizing Comments of November 7, 1997, in this Case No. PUE910043. We directed Dominion Virginia Power to file a report addressing the continued need for its 500 kV line and the relationship of its application to Appalachian's application in Case No. PUE970076. On December 15, 1997, Dominion Virginia Power reported that its proposed line continued to be needed and that Appalachian's "project is a prerequisite for the Virginia Power project." (Letter of December 15, 1997, from James T. Earwood, Jr., Vice President, Virginia Electric and Power Company, to the Commission.) Dominion Virginia Power also reported that it could not make definite construction plans until Appalachian's "project is approved and its construction is certain."

By Order Granting Authority to Construct Transmission

Facilities of May 31, 2001, in Case No. PUE970766, the

Commission authorized Appalachian to construct and operate a

765 kV transmission line from the Wyoming Station in West

Virginia to its Jackson's Ferry Station, Wythe County, Virginia.

Before the Commission considers further Dominion Virginia's application, we find that the Company should supplement information previously filed. In addition, we will direct Dominion Virginia Power to address the expected impact of the proposed line on the development of local and regional competitive markets for electricity and whether the proposed Alliance Regional Transmission Organization affects the Company's willingness or ability to construct the line. We find that notice of the resumption of this proceeding should be given and an opportunity for comments from the Staff and parties should be provided. Upon review of the information and comments from the Staff and parties, the Commission will determine whether additional notice to the public is necessary.

Accordingly, IT IS ORDERED THAT:

(1) On or before September 5, 2001, the Company shall file with the Clerk of the Commission c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-1197, an original and fifteen (15) copies of an update to the materials previously filed in response to Part I, Necessity for the Proposed Project, of the Guidelines of Minimum Requirements for Transmission Line Applications Filed Under Virginia Code § 56-46.1 and The Utility Facilities Act (May 10, 1991 ed.) and any supporting testimony and exhibits and shall serve a copy on all parties to this proceeding.

- (2) On or before September 5, 2001, the Company shall file with the Clerk an original and fifteen (15) copies of testimony and exhibits addressing the expected impact of the proposed 500 kV transmission line on the development of local and regional competitive markets for electricity and whether the proposed Alliance Regional Transmission Organization affects the Company's willingness or ability to construct the proposed line. Virginia Power shall serve a copy of this filing on all parties to this proceeding.
- (3) On or before September 26, 2001, parties to this proceeding and the Commission Staff may file with the Clerk an original and fifteen (15) copies of any comments on the materials described in ordering paragraphs (1) and (2).
- (4) On or before December 5, 2001, Dominion Virginia Power shall file with the Clerk an original and fifteen (15) copies of an update to the materials previously filed in response to Part II A(2), Description of the Proposed Project, and Part III, Impact of the Line on Scenic, Environmental, and Historic Features, of the Guidelines of Minimum Requirements for Transmission Line Applications Filed Under Virginia Code § 56-46.1 and The Utility Facilities Act (May 10, 1991 ed.) and supporting testimony and exhibits and shall serve a copy on all parties to this proceeding.

- (5) On or before January 16, 2002, parties to this proceeding and the Commission Staff may file with the Clerk and original and fifteen (15) copies of any comments on the updated material described in ordering paragraph (3).
- (6) On or before August 10, 2001, the Company shall serve a copy of this order by first class mail, postage prepaid, or by delivery to the usual place of business, on the chairman of the board of supervisors of every county crossed by the proposed or the alternative right-of-way identified in the application.
- (7) On or before August 24, 2001, the Company shall file with the Clerk a certificate of the service required in ordering paragraph (5), including the names and addresses of all official served.